

Russian Bank dealing with State Credit. In the meantime, in principle approval for consignment exports of tea to Russia under the debt repayment track has already been given by Reserve Bank of India.

#### Production of Textiles

4301. SHRI GORDHANBHAI JAVIA : Will the Minister of TEXTILES be pleased to state :

(a) the production of textiles in the country during each of the last three years; and

(b) the steps taken by the Government to improve the quality and quantity of the textile to make it more competitive in the international market ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) The production of textiles (yarn and cloth) during the last 3 financial years in the country has been as under:

Financial Year	Production	
	Total Yarn (Spun + filament) (MN. Kg.)	Total cloth (Mn. Sg. Mtr)
1993-94	2530	27898
1994-95	2608	28606
1995-96	2978	31891

(b) The Indian textile industry comprises of various segments; namely mill sector, powerloom, handloom etc. Depending on the needs of each segment of the industry policy interventions involving formulation of financial and administrative steps by the government for various segments is a continuous process keeping in mind the broad objectives laid down in the Textile Policy 1985. The government have taken various steps from time to time to encourage textile production in each segment.

These include :

Liberalisation of licensing provision; fiscal restructuring; permitting import of textile machinery under OGL; and reduction of custom duty on such imports; research and development activities; setting up of laboratories facilities; simplification of quota system; setting up of BIFR to inquire into working of sick industrial units, and to prepare and sanction, as appropriate, scheme for revival mills; reserving certain items for manufacture by handloom sector only; by way of running Powerloom Service Centres, Computer Aided Design Centres; improving quality of textile products and boost their value addition through various Textile Research Associations; removal of restrictions on the creation and expansion of capacity, subject only to

locational guidelines; working on various programmes for the promotion on export of the various segments of the Indian Textile Industry through various Export Promotion Councils under M/o Textiles; upgrading of testing facilities at the Textiles Committee and other Public Textile Laboratories to facilitate quick, affordable and reliable tests result to the exporters; and promoting quality consciousness among exporters to promote acceptability of Indian goods abroad.

#### Formation of Regional Trade Groups

4302. SHRI SATYAJITSINH DULIPSINH GAEKWAD : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government are aware that while World Trade Organisation strives towards global free trade, a contradictory process has been started by various regional power group forming themselves into regional trade blocs like the NAFTA, European Union APEC, ASEAN and other;

(b) whether the objective of these blocs is regional protection and trade-cooperation is opposed to free global trade; and

(c) the reaction of the Government in this regard and the action taken by the Government to protect the India's economic and trade interests in the face of these regional trade groups;

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c) An important exception to the Most Favoured Nation (MFN) concept in the multilateral trading system established under the World Trade Organisation (WTO) is the General Agreement on Tariff and Trade (GATT) Article XXIV exception for customs unions and free trade areas. The trend towards regional integration implicit in this has uncertain consequences for the multilateral trading system, as the consequences would be a balance of trade creation and trade diversion effects of the preferential trading arrangements.

A Committee on Regional Trade Agreements that has been set up in the WTO on 6 February 1996 will, inter alia, carry on an examination of regional trade agreements and consider the systemic implications of such agreements and regional initiatives for the multilateral trading system and the relationship between them. Membership of this Committee is open to all WTO Members.

#### Overdraft by States

4303. SHRI V. PRADEEP DEV :  
SHRI DATTA MEGHE :  
DR. LAXMINARAYAN PANDEY :

Will the Minister of FINANCE be pleased to state :